

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT***

TERM

July 1, 2015 – June 30, 2017

WAGES

- 3% general wage increase effective Fiscal Year 2015-2016. Effective June 21, 2015, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by approximately 3%.
 - In recognition of this two (2) year Memorandum of Agreement (MOA) being reached prior to the adoption of the Fiscal Year 2015-2016 budget, thus providing both the City and employees budget and labor stability for the next two (2) Fiscal Years, a one-time lump sum non-pensionable payment equivalent to approximately 1% of an employee's base pay as of June 20, 2015, shall be made to full-time employees holding positions in classifications assigned to ALP within two (2) full pay periods following ratification by the membership of ALP and approval by City Council. To receive the one-time lump sum non-pensionable payment, a full-time employee must be continuously employed in an ALP represented position from June 20, 2015, to the date when the payment is made. This one-time lump sum non-pensionable payment shall be made separately from an employee's regular pay.
- 3% general wage increase effective Fiscal Year 2016-2017. Effective June 19, 2016, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by approximately 3%.
- In the event that the City reaches an agreement with any other non-sworn employee unit during the term of the Memorandum of Agreement with ALP, and such agreement with any other non-sworn employee unit includes an aggregate general wage increase or lump-sum one-time payment on a bargaining unit wide basis greater than those negotiated herein, this Agreement will reopen on the subject of wages only, and the parties will meet and confer over wages. This provision will not apply to any changes made to any classification(s) due to a market survey or classification study, any leave payout or any settlement of a grievance or other administrative proceeding.

PURPOSE/BACKGROUND

- See Attached

AGREEMENT CONDITIONS

- Medical Benefits Reopener – See Attached
- Retirement (Pension and Retiree Healthcare) Reopener – See Attached
- Classification Review – See Attached

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT***

RECOGNITION

- See Attached

PROFESSIONAL DEVELOPMENT PROGRAM (PDP)

- See Attached

RETIREE HEALTHCARE

- See Attached

HEALTH INSURANCE

- See Attached

DENTAL INSURANCE

- See Attached

HEALTH AND DENTAL IN LIEU

- See Attached

VISION CARE

- See Attached

VACATION

- See Attached

SICK LEAVE

- See Attached

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT***

SIDE LETTER AGREEMENTS

The following side letters will continue:

- Retiree Healthcare Stakeholder Solutions Working Group and Negotiations – See Attached
- Employee Commute Benefit – See Attached

** This agreement is considered tentative and shall not be considered final or binding until ratified by union members and approved by the City Council. This document sets forth the full agreements of the parties reached during these negotiations. Anything not included in this document is not part of the Tentative Agreement.*

FOR THE CITY:

FOR THE EMPLOYEE ORGANIZATION:



Jennifer Schembri
Interim Director of Employee Relations

6/17/15

Date



Jon Calegari, Team Member
Association of Legal Professionals (ALP)

Date



Rakshi Master, Executive Analyst
Office of Employee Relations

6/17/15

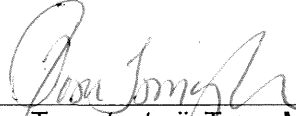
Date



Tom Murtha, Team Member
Association of Legal Professionals (ALP)

6/17/15

Date



Rosa Tsongtaatarii, Team Member
Association of Legal Professionals (ALP)

6/17/15

Date

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

ALP PROPOSAL TO CITY – PURPOSE/BACKGROUND

Proposed Language:

ARTICLE 1 PURPOSE / BACKGROUND

4.1—Purpose: The parties agree that the purposes of this Agreement are:

4.1.1 To promote and provide harmonious relations, cooperation and understanding between the City and the employees covered herein,

4.1.2 To provide an orderly and equitable means of resolving differences which may arise under this Agreement, and

4.1.3 To set forth the full agreements of the parties reached as a result of meeting and conferring in good faith regarding matters within the scope of representation for employees represented by the Association.

~~**4.2 Background:** On June 4, 2013, the City and the Association executed a tentative agreement entitled “City of San Jose and ALP Tentative Agreement” (“Tentative Agreement”), having an expiration date of June 30, 2013. The Association’s membership ratified the Tentative Agreement on June 10, 2013, and the City Council approved the Tentative Agreement at its meeting on June 18, 2013. On June 13, 2013 the Association executed a second tentative agreement entitled “City of San Jose – ALP Tentative Agreement” (“Second Tentative Agreement”), which contained provisions intended to modify the approved Tentative Agreement. The Association’s membership subsequently ratified the Second Tentative Agreement and the Second Tentative Agreement was approved by the City Council on June 18, 2013.~~

2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ALP – AGREEMENT CONDITIONS

Proposed Language:

ARTICLE 4 AGREEMENT CONDITIONS

4.1.3 ~~Retiree Healthcare Reopener.~~ Notwithstanding any other provision of this Agreement, this Agreement is subject to the following reopeners:

4.1.3.1 Medical Benefits Reopener: To the extent that they are a mandatory subject of bargaining, the parties agree to meet and confer over changes to City medical plans related to the Affordable Care Act and/or any change to healthcare providers. If there is a change in healthcare providers, the benefits provided by those providers will be substantially equivalent to those listed in Article 17 and those benefits provided by the displaced provider(s) but may involve a different group of licensed medical doctors/practitioners.

Either the City or ALP may provide notice to the other of its request to discuss changes to City medical benefits. The parties shall commence the discussions within ten (10) calendar days after the City or ALP receive notice from the other.

To the extent that any changes to City medical plans related to the Affordable Care Act and/or any change to healthcare providers is a mandatory subject of bargaining, the parties shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties reach impasse and no agreement is reached on those issues that are a mandatory subject of bargaining, either party may invoke the applicable provisions under the Employer-Employee Relations Resolution No. 39367 and/or the Meyers Milius Brown Act ("Act") and, neither party hereby waives any of its rights under the Act.

4.1.3.2 Retirement (Pension and Retiree Healthcare) Reopener: The City of San Jose (City) and the Association of Legal Professionals (ALP), agree to continue settlement discussions over retirement issues (pension and retiree healthcare), including additional retirement contributions.

In the event that the multi-party discussions regarding retirement issues (pension, retiree healthcare and additional retirement contributions) related to Measure B Settlement Negotiations are discontinued during the term of the successor Memorandum of Agreement (MOA) between the City and ALP, either party may

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

provide notice to the other of its request to commence settlement discussions on a bilateral basis. The parties shall commence the discussions within ten (10) calendar days after the City or ALP receive notice from the other.

In the event that the City desires to seek further amendment to the City Charter to (1) increase the maximum benefits under Tier Two, (2) revise the definition of disability, or (3) allow returning Tier One employees to re-enter the retirement system as Tier One, the City shall give notice to ALP and the parties shall commence the meet and confer within ten (10) calendar days after the City gives such notice.

Nothing in this section shall be construed to waive any rights either party may have with regard to any other change to retirement benefits (pension, retiree healthcare, and/or additional retirement contributions).

4.1.3.3 ~~t~~The parties agree to meet and confer over retiree healthcare benefits and funding upon request of either party. This may include but is not limited to alternatives to reduce the unfunded liability and options for current employees that comply with IRS regulations. The obligation to meet and confer under this Subsection 4.1.3 is subject to the following conditions.

- If the Association is participating in the Retiree Healthcare Solutions Working Group established in the side letter agreement entitled "Retiree Healthcare Stakeholder Solutions Working Group And Negotiations" ("Side Letter Agreement"), which is attached as Exhibit A, the parties shall not meet and confer before the January 1, 2014 date set forth in the Side Letter Agreement or any extension of that date to which the parties may agree in accordance with the Side Letter Agreement.
- If the Association withdraws from participation in the Retiree Healthcare Solutions Working Group, then the Association and City may meet and confer at any time subsequent to such withdrawal.

Negotiations between the City and the Association shall commence in accordance with the conditions of this Subsection 4.1.3 within 14 days upon notice of either party. The City and the Association shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.

4.1.4 ~~Measure B Reopener. Notwithstanding any other provision of this Agreement, the parties agree to meet and confer over retirement benefits~~

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

~~upon request of either party in the event that the pension modification ballot measure, also known as Measure B, in part or in whole, is declared invalid or otherwise modified or changed by any court of competent jurisdiction or any other administrative process, or by any applicable State or Federal law or regulation.~~

~~Negotiations between the City and the Association shall commence within 14 days upon notice of either party that any action referenced in the previous paragraph has occurred. The City and the Association shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.~~

2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ALP – CLASSIFICATION REVIEW

Proposed Language:

ARTICLE 4 AGREEMENT CONDITIONS

- 4.1.4** To the extent the market salary survey currently being conducted by Human Resources shows that the wages and/or salary ranges for ALP members are under market, the City and the Association shall begin the meet and confer process. The commencement of the meet and confer process shall not obligate either party to agree, or be construed as an agreement, to change anything related to the Deputy City Attorney and Senior Deputy City Attorney wages, classification structures and applicable benefits, and shall be subject to funding and Departmental input.

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

ALP PROPOSAL TO CITY – RECOGNITION

Proposed Language:

ARTICLE 5 RECOGNITION

5.2 Deputy City Attorney or Senior Deputy City Attorney - Unrepresented.

5.2.1 As of July 11, 2012, no City employee represented by the Association was performing legal services on behalf of the City on labor relations and employment directly affecting the Association and employees represented by the Association.

5.2.2 In the event that the City desires to utilize the legal services of an employee represented by the Association to perform legal services on labor relations and employment matters where the employee will be privy to decisions of City management, the City and the Association agree that the City Attorney may designate up to one (1) Deputy City Attorney or Senior Deputy City Attorney to perform these types of legal services. Any employee so designated will become an unrepresented employee in the Executive Management and Professional Employees unit (Unit 99).

5.2.3 The designation of the Deputy City Attorney or Senior Deputy City Attorney shall be at the discretion of the City Attorney with the express prior written consent of the selected employee. The designated employee shall become exempt upon receipt of written notification to the Association by the City of the name and classification of the employee so exempted. The job specification will not change for this position. The designated employee will be unrepresented and subject to the benefits and compensation for Unit 99.

5.2.4 The City Attorney may change the employee designated for the exempt position at any time pursuant to the notice and consent provisions above. Immediately upon such designation, the newly designated employee shall be transferred to Unit 99 and the employee who no longer performs such legal services for the City shall be represented by the Association and subject to the benefits and compensation for ALP.

5.2.5 ~~The City hereby withdraws its May 15, 2012, proposed classification/designation of "Sr. Deputy City Attorney – Labor and Employment (U)" in Unit 99. ALP hereby withdraws its June 14, 2012 appeal of the City's proposed action. The City and the Association reserve their respective rights under Resolution 39367 and the Meyers Millias Brown Act. Neither the City nor the Association is waiving any respective rights under Resolution 39367 and the Meyers Millias Brown Act.~~

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

~~5.2.6 The terms described in this section are effective July 11, 2012, and shall remain in effect until amended or rescinded by mutual agreement of the parties.~~

~~5.2.7 This Section 5.2 incorporates a side letter agreement executed by the City and Association on July 11, 2012, and July 10, 2012, respectively. As of the date of that the parties entered into this Agreement, the City Attorney has already designated an attorney for the exempt position in accordance with Section 5.2.~~

2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ALP – PROFESSIONAL DEVELOPMENT
PROGRAM (PDP)

City Proposed Language:

ARTICLE 12 PROFESSIONAL DEVELOPMENT PROGRAM (PDP)

- 12.1 The City will reimburse each eligible Association employee for up to at least \$1,000 per fiscal year for certain professional development costs in accordance with City's "Professional Development Program – Association of Legal Professionals of San Jose ("ALP")", as set forth in Section 4.3.6 of the City Policy Manual on the Effective Date. The amount set forth for professional materials shall increase to \$500 per fiscal year.
- 12.2 Temporary employees ***are not eligible*** for this benefit.

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

ALP PROPOSAL TO CITY – RETIREE HEALTHCARE

Proposed Language:

ARTICLE 15 RETIREE HEALTHCARE

15.6 The phase-in to the ARC shall be effective on the first pay period of the City's fiscal year in each succeeding year, the first increment which was effective on June 28, 2009. It is understood that because of changes resulting from future actuarial valuations, the amount of the ARC may vary upward or downward. The City and the Association agree that the ~~Plan member cash contribution rate shall not have an incremental increase of more than .75% of pensionable pay in each fiscal year and the City cash contribution rate shall not have an incremental increase of more than .75% of pensionable pay in each fiscal year. For example, if the members' contribution rate is 4% of pensionable pay, the subsequent fiscal year's contribution rate for retiree healthcare cannot exceed 4.75% of pensionable pay~~ retiree healthcare contribution rates as of June 20, 2015 will remain in effect until December 19, 2015. Notwithstanding the limitations on the incremental increases, the City and plan members shall be contributing the contribution rate based upon the full Annual Required Contribution, beginning on ~~December 21, 2014~~ 20, 2015. In subsequent fiscal years, the City and the plan members shall be contributing the full Annual Required Contribution in the ratio currently provided under Section 3.28.385 of the San Jose Municipal Code.

2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT

CITY COUNTERPROPOSAL TO ALP – HEALTH INSURANCE

Proposed Language:

ARTICLE 17 HEALTH INSURANCE

17.1 Plans: The City will provide health coverage for eligible employees and their dependents in accordance with whichever one of the plans set forth in Subsections 17.1.1 through 17.2.4 is selected by the employee.

17.1.1 High Deductible HMO: As of the date of this Agreement, the City makes available the Kaiser Permanente \$1500 Deductible HMO Benefit Plan.

17.1.2 Non-Deductible HMO. As of the date of this Agreement, the City makes available the Kaiser \$25 HMO Plan, the Blue Shield \$25 HMO Plan, and the Blue Shield \$45 HMO Plan.

17.1.3 Non-Deductible POS. As of the date of this Agreement, the City makes available the Blue Shield POS Plan.

17.1.4 Non-Deductible PPO. As of the date of this Agreement, the City makes available the Blue Shield \$3500 PPO Plan and the Blue Shield \$100 PPO Plan.

17.2 Rate Structure: Each of the health coverage plans provided by the City will have a 4-tier rate structure as follows: (1) employee, (2) employee plus spouse/domestic partner, (3) employee plus child(ren), and (4) family.

17.3 Premiums: For full time employees, the monthly premium is as follows for whichever one of the health coverage plans, at whichever tier of the rate structure, an employee selects:

17.3.1 The City pays eight-five percent (85%) of the cost of the lowest priced Non-Deductible HMO plan (as of the date of this Agreement, the Kaiser \$25 HMO Plan) for the tier of the rate structure selected by the employee, and the employee pays the remaining fifteen percent (15%)³. The City currently pays one hundred percent (100%) of the High Deductible HMO because the cost of the High Deductible HMO (as of the date of this Agreement, the Kaiser Permanente \$1500 Deductible HMO Benefit Plan) is equivalent to eighty-five percent

³ The City's contribution is prorated as follows for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

(85%) of the cost of the lowest priced Non-Deductible HMO plan, the Kaiser \$25 HMO plan. This is subject to change on an annual basis based on changes to the premiums.

If the employee selects the Non-Deductible POS plan or the Non-Deductible PPO plan, the employee pays the difference between the total cost of the selected plan and the City's contribution toward the lowest priced Non-Deductible HMO plan.

17.4 Dual Coverage: An employee may not be simultaneously covered by City-provided medical benefits as a City employee, and as a dependent of another City employee or retiree.

~~17.1 The City will provide health coverage for eligible employees and their dependents in accordance with one of the available plans.~~

~~17.2 The City will continue to make available at least one of each type of the health coverage plans set forth in Subsections 17.2.1 through 17.2.3. In the event that the City is unable to make one of the foregoing types of plans available, the parties will meet and confer over a replacement plan.~~

~~The City may offer any other additional health coverage plans at its discretion, including but not limited to the Kaiser Permanente 1500 Deductible HMO Benefit Plan.~~

~~17.2.1 Non-Deductible HMO. A non-deductible health maintenance organization ("Non-Deductible HMO"), that include the following co-pays:~~

- ~~(a) Office visit co-pay of \$25,~~
- ~~(b) Prescription co-pay of \$10 for generic and \$25 for brand name,~~
- ~~(c) Emergency room co-pay of \$100, and~~
- ~~(d) Inpatient/outpatient procedure co-pay of \$100.~~

~~17.2.2 Non-Deductible POS. A non-deductible point of service plan.~~

~~17.2.3 Non-Deductible PPO. A non-deductible preferred provider organization.~~

~~17.3 Effective January 1, 2014, all available plans will have a 4-tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren) and Family). The premiums will be adjusted effective the first payperiod in payroll calendar year 2014, which starts December 22, 2013.~~

~~17.4 Premium: Effective December 23, 2012, for full time employees, the City pays eighty five percent (85%) of the cost of the lowest priced Non-Deductible HMO plan for the employee or the employee and dependent coverage and the employee pays fifteen percent (15%) of the premium for the lowest priced Non-Deductible HMO plan.⁴ If the employee selects a plan other than the lowest~~

⁴—The City's contribution is prorated as follows for part-time employees based on hours scheduled:

2015 CITY OF SAN JOSE – ALP NEGOTIATIONS TENTATIVE AGREEMENT

~~priced Non-Deductible HMO plan, the employee pays the difference between the total cost of the selected plan and the City's contribution toward the lowest priced Non-Deductible HMO plan. In the event that an employee chooses a plan that is lower cost than the City's contribution toward the lowest priced Non-Deductible HMO Plan, the employee shall pay nothing towards the premium. However, the City's contribution will continue to be based on eighty-five percent (85%) of the cost of the lowest priced Non-Deductible HMO plan (at the rate most recently provided to the City).~~

~~17.5 Dual Coverage: An employee may not be simultaneously covered by City-provided medical benefits as a City employee, and as a dependent of another City employee or retiree.~~

~~30—39 hours = 75%
25—29 hours = 62.5%
20—24 hours = 50%
Less than 20 hours = none~~

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

ALP PROPOSAL TO CITY – DENTAL INSURANCE

Proposed Language:

ARTICLE 18 DENTAL INSURANCE

18.2 ~~Effective January 1, 2014, a~~All available plans will have a 4-tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren) and Family). ~~The premiums will be adjusted effective the first payperiod in payroll calendar year 2014, which starts December 22, 2013.~~

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

CITY PROPOSAL TO ALP – HEALTH AND DENTAL IN LIEU

City Proposed Language:

ARTICLE 19 HEALTH AND DENTAL IN LIEU

- 19.1** The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have alternative health and/or dental insurance coverage to drop the City's insurance and receive a payment in lieu. Effective January 1, 2016, payment-in-lieu of health and/or dental insurance will have a 4-tier structure (Employee, Employee plus Spouse/Domestic Partner, Employee plus Child(ren) and Family). The payment-in-lieu amounts will be adjusted effective the first pay period in payroll calendar year 2016, which starts December 20, 2015.
- 19.2** An employee may choose, during open enrollment or within thirty (30) days of a qualifying event, to drop health and/or dental coverage and receive a payment in-lieu equal to the amounts described in Section 19.3 below.
- 19.3** Employees who qualify for and participate in the payment in-lieu of health and/or dental insurance program will receive the following payments per pay period:

	Health in-lieu	Dental in-lieu
If eligible for family coverage*	\$221.84	\$19.95
If NOT eligible for family coverage	\$89.09	\$19.95

<u>Health Insurance Tier*</u>	<u>Health-in-Lieu</u>	<u>Dental -in-Lieu</u>
<u>Employee</u>	<u>\$89.09</u>	<u>\$6.65</u>
<u>Employee plus spouse/domestic partner</u>	<u>\$147.87</u>	<u>\$13.30</u>
<u>Employee plus Child(ren)</u>	<u>\$129.39</u>	<u>\$11.64</u>
<u>Family</u>	<u>\$221.84</u>	<u>\$19.95</u>

** A City employee who receives healthcare and/or dental coverage as a dependent of another City employee or retiree shall be deemed not eligible for family coverage be eligible for the employee only coverage for the payment-in-lieu of health and/or dental program.*

2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT

ALP PROPOSAL TO CITY – VISION CARE

Proposed Language:

ARTICLE 23 VISION CARE

23.1 ~~Effective December 22, 2013, t~~The City will contribute towards vision care benefits for eligible full-time employees up to \$16.00 per month (\$8.00 for 24 bi-weekly pay periods) or the cost of the premium, whichever is less, for coverage under a vision plan sponsored by the City. The employee shall pay the difference between the City contribution and the total premium of the vision care plan selected by the employee.

23.2 Effective January 1, 2016, all available plans will have a 4-tier structure (Employee, Employee plus Spouse/Domestic Partner, Employee plus Child(ren) and Family) unless and until any other bargaining unit group receives greater contribution from the City. When the 4-tier structure is in effect, the premiums will be adjusted effective the first pay period of that payroll calendar year.

2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT

CITY PROPOSAL TO ALP – VACATION SELLBACK

Proposed Language:

ARTICLE 28 VACATION

28.1 Vacation accrues at the following rates for each paid hour (either worked or paid absence):

Years of Service	Annual Hourly Accrual (Full Time)
1 – 5	120 hours
6 – 14	160 hours
15+	200 hours

28.2 Employees may only accrue vacation up to a maximum of two (2) times their annual accrual rate. Once an employee reaches their maximum accrued vacation limit, the employee will not accrue vacation until their vacation balance falls below the maximum limit, or until they have sold back an amount that brings them below their maximum accrual amount.

Years of Service	Maximum Accrued Vacation
1 – 5	240 hours
6 – 14	320 hours
15+	400 hours

28.2.1 Subject to tax counsel approval, effective calendar year 2016, employees may sell back up to a maximum of twenty (20) hours of accrued vacation after July 1, 2016.

28.2.2 Internal Revenue Service (IRS) regulations require the City to report and withhold taxes on the value of the vacation time an employee is eligible to sell back. In order to ensure compliance with the IRS requirements and to avoid unanticipated tax consequences:

28.2.3 Employees must elect the number of vacation hours they will sell back during a calendar year, up to the maximum of twenty (20) hours, by the end of November of the prior year. If an employee does not submit an irrevocable election form to Payroll on or before the end of November, the employee will not be eligible to sell back any vacation hours during the next calendar year. The election made in 2015 cannot be sold back until after July 1, 2016.

28.2.4 The election to sell back vacation hours in any year is irrevocable. This means that employees must sell back the elected number of accrued vacation hours during that year. If the accrued vacation hours are not

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

sold back within the designated calendar year the employee will be deemed to have received the value of the vacation hours elected in that calendar year and will be taxed by the IRS accordingly.

28.2.5 Employees can elect to sell back only vacation hours accrued during any given year, and any vacation hours accrued and carried over prior to that year are not eligible for sell back during that year.

28.2.6 Any vacation hours accrued during that year will not be available for use until the employee's accrued vacation hours in that year equal the number of hours the employee has elected to sell back. Those vacation hours accrued in the given year over the number of hours the employee elected to sell back in the given year will be available for use by the employee. This means that hours elected for sell back may only be used for sell back purposes and cannot be used for vacation time off purposes.

28.2.7 Employees may use any vacation hours accrued and carried over prior to the given year, subject to the normal rules of requesting use of vacation.

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

ALP PROPOSAL TO CITY – SICK LEAVE

Proposed Language:

ARTICLE 18 SICK LEAVE

- 31.1** Sick leave shall accrue in an amount equal to the number of hours worked, excluding overtime, multiplied by a factor of 0.04616. Paid leave for holidays, vacation, disability, or other paid leave shall be considered as time worked for purposes of this section.
- 31.2** Accrued sick leave may be utilized if the employee is required to be absent from work for the following reasons:
- 31.2.1** The employee is absent from work on account of non-job related illness or injury, including absences of female employees related to pregnancy or childbirth.
- 31.2.2** The employee is absent from work on account of routine medical or dental appointments of the employee or any of the following persons who need assistance: a child/stepchild for which the employee is legally responsible, or the employee's mother/stepmother, father/stepfather, spouse or Domestic Partner.
- 31.2.3** The employee is absent from work for the care related to the illness or injury of a child/stepchild for which the employee is legally responsible, mother/stepmother, father/stepfather, spouse or Domestic Partner.
- 31.2.4** Up to forty-eight (48) hours of accrued sick leave per calendar year may be utilized if the employee is required to be absent for the care related to the illness or injury of the employee's grandparent, grandchild, brother, sister, father-in-law, or mother-in-law.
- 31.3** Accrued sick leave not to exceed three (3) working days may be granted in circumstances where an alleged job-related illness or injury is involved, but the employee fails to provide medical verification of such job-related illness or injury.
- 31.4** Accrued sick leave also may be used in accordance with the Catastrophic Illness Time Donation Program as set forth in Section 4.2.10 of the City Policy Manual in effect as of the Effective Date.
- 31.5** Except as otherwise provided by resolution of the City Council, paid sick leave shall not be allowed for any absence from work occasioned by intoxication, or use of narcotics not prescribed by a licensed physician.

**2015 CITY OF SAN JOSE – ALP NEGOTIATIONS
TENTATIVE AGREEMENT**

- 31.6** If approved by the City, an employee who is enrolled and participating in a substance abuse treatment program may use sick leave for absences resulting from participation in such program. The City may require appropriate verification.
- 31.7** No employee shall be entitled to or be granted sick leave, either with or without pay, unless he or she, or someone on his or her behalf notifies his or her immediate superior or the City Attorney, of his or her intent to take such sick leave due to a personal or family illness prior to the commencement of the sick leave where such notice is possible; provided, however, that the City Attorney may waive the requirement of such notice upon presentation of a reasonable excuse by such employee.
- 31.8** An employee may be required to furnish substantiation for any absence for which sick leave payment is requested.
- 31.9** Any eligible part-time employee shall be entitled to paid sick leave only for those days and number of hours the employee is in fact regularly assigned to work or would have been required to work, notwithstanding the designation, scheduling and indefinite assignment made pursuant to this Article 30.

Side Letter Agreement

RETIREE HEALTHCARE STAKEHOLDER SOLUTIONS WORKING GROUP AND NEGOTIATIONS

PURPOSE

The parties recognize the importance of funding the current retiree healthcare benefit, and since 2009, have been increasing contributions into the plan in order to begin paying the full Annual Required Contribution to ensure funding of the retiree healthcare benefit.

Neither the City nor the bargaining units have committed to close the plan. However, new employees will not enter the existing retiree healthcare plan. Since current employees share in paying the unfunded liabilities of the current retiree healthcare benefit, new employees who are not in the current plan would not be making those payments. The City has agreed to make the contributions towards the unfunded liabilities that those new employees would have paid had they been in the current plan. The City has agreed to do so in order to allow time for long-term solutions to be developed by a Retiree Healthcare Solutions Working Group ("Working Group") and negotiations.

The goal of the Working Group shall be to develop options that lead to long-term solutions to the retiree healthcare issue.

The City and the Coalition¹ have agreed to immediately continue working on solutions to retiree healthcare both through the Working Group and subsequent negotiations. The parties are committed to working collaboratively towards long-term solutions and have agreed to remain open to considering various options. The options considered will include, but are not limited to, the following:

- Using high-deductible healthcare plans in combination with individual health savings accounts;
- Limitations on the current retiree healthcare benefit in combination with individual health savings accounts;
- Tiered healthcare benefit structures based on length of employment;
- Modification of eligibility requirements;
- Health plan design and rate structure changes;
- Incentives for employees to work beyond normal retirement eligibility; and
- The inclusion or exclusion of new employees in any modifications, or the formation of a completely different plan for new employees.

¹ The San Jose Federated Labor Coalition consists of the following nine (9) bargaining units: Association of Building, Mechanical, and Electrical Inspectors (ABMEI), Association of Engineers and Architects (AEA), Association of Legal Professionals (ALP), Association of Maintenance Supervisory Personnel (AMSP), City Association of Management Personnel (CAMP), Confidential Employees' Organization (CEO), International Brotherhood of Electrical Workers (IBEW), Municipal Employees' Federation (MEF) and International Union of Operating Engineers, Local #3 (OE#3).

RETIREE HEALTHCARE STAKEHOLDER SOLUTIONS WORKING GROUP

Facilitator:

By August 1, 2013, the City and the Coalition members will mutually agree on an independent person or entity that is knowledgeable in the area of retiree healthcare benefits to facilitate the Working Group.

The facilitator will facilitate the discussions, provide information to the parties, and generally assist in the development of options for long-term solutions. Upon the mutual agreement of the City and Coalition members, other subject matter experts may be engaged to assist in analyzing possible solutions.

The costs of the facilitator and any subject matter experts will be shared equally between the City and the Coalition members.

Participation:

In addition to the City and a representative from each bargaining unit in the Coalition, members of the Working Committee will include a representative of the retirees, and any unrepresented employee group(s).

Meetings:

The City and the Coalition will jointly schedule Working Group sessions in coordination with the facilitator. More frequent and longer Working Group sessions will be scheduled in the early stages of the process. The Working Group sessions will be open to employees and the public.

TIMELINE FOR RETIREE HEALTHCARE SOLUTIONS WORKING GROUP AND NEGOTIATIONS:

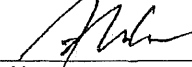
The Working Group shall agree upon a facilitator no later than August 1, 2013. The time period to schedule Working Group sessions will be from August 1, 2013, and conclude no later than December 31, 2013, unless the parties mutually agree to extend the timeframe. The City and the Coalition agree that this process will not supplant the meet and confer process regarding retiree healthcare.

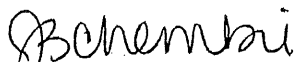
Negotiations between the City and the bargaining units shall commence within 14 days upon notice of either party, but no earlier than January 1, 2014. The City and the bargaining units shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply. The parties intend to meet and confer through coalition bargaining. However, all parties reserve their respective rights to withdraw from coalition bargaining. In such an event, the City and any bargaining unit that withdraws from the Coalition will bargain separately.

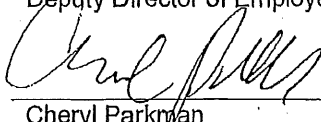
Side Letter Agreement
Retiree Healthcare Stakeholder Solutions Working Group and Negotiations

This Side Letter Agreement is considered part of the tentative agreement on retiree healthcare with the bargaining units and shall become effective only as part of the overall retiree healthcare agreement. Each bargaining unit conducts separate ratification processes, and this Side Letter Agreement shall be effective for those bargaining units who ratify the overall tentative agreement on retiree healthcare and only during the term of those agreements with each respective bargaining unit.

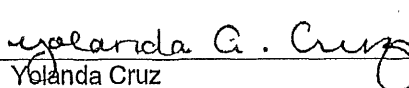
FOR THE CITY:

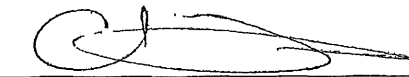

Alex Gurza
Deputy City Manager
6-11-13
Date


Jennifer Schembri
Deputy Director of Employee Relations
6/11/13
Date

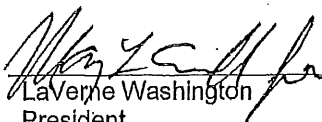

Cheryl Parkman
Executive Analyst
Office of Employee Relations
6/11/13
Date


FOR THE UNION:


Yolanda Cruz
President
MEF, AFSCME Local 101
6/10/13
Date

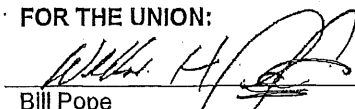

Charles Allen
Business Agent
AFSCME, Local 101
6/10/13
Date

FOR THE UNION:



Laverne Washington
President
CEO, AFSCME Local 101
6/10/13
Date


Charles Allen
Business Agent
AFSCME, Local 101
6/10/13
Date

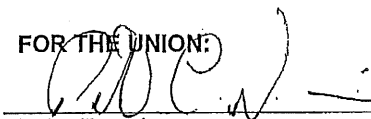
FOR THE UNION:


Bill Pope
Business Representative
Operating Engineers, Local 3
Date

FOR THE UNION:


Vera Todorov
President
ALP
6/13/13
Date

FOR THE UNION:

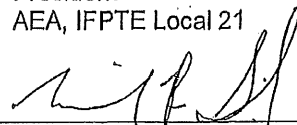

Peter Fenerin
President
ABMEI
6/10/13
Date

Side Letter Agreement
Retiree Healthcare Stakeholder Solutions Working Group and Negotiations

FOR THE UNION:

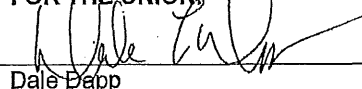
 6/10/13
Date

John Mukhar
President
AEA, IFPTE Local 21

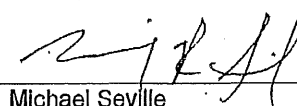
 6/10/13
Date

Michael Seville
Acting Senior Representative
IFPTE, Local 101

FOR THE UNION:

 6/10/2013
Date

Dale Dapp
President
AMSP, IFPTE Local 21

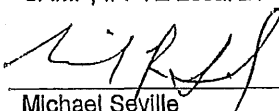
 6/10/13
Date

Michael Seville
Acting Senior Representative
IFPTE, Local 101

FOR THE UNION:

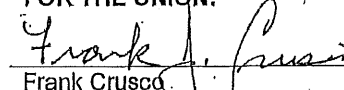
 6/10/2013
Date

Matt Farrell
President
CAMP, IFPTE Local 21


 6/10/13
Date

Michael Seville
Acting Senior Representative
IFPTE, Local 101

FOR THE UNION:

 6-10-13
Date

Frank Crusco
Chief Steward
IBEW, Local 332

 6/10/13
Date

Dan Rodriguez
Business Representative
IBEW, Local 332

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

AND

THE ASSOCIATION OF LEGAL PROFESSIONALS (ALP)

EMPLOYEE COMMUTE BENEFIT PILOT PROGRAM

The City and the Association of Legal Professionals ("Union") agree to an Employee Commute Benefit Pilot Program ("Pilot Program").

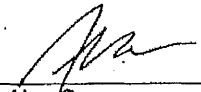
The Pilot Program shall be as follows:

- Full-time, and part-time employees who worked an average of twenty (20) or more hours per week within the previous calendar month, shall be eligible to participate in the Pilot Program. Seasonal workers and Airport employees are not eligible to participate in the Pilot Program; the Airport provides its own separate employee commute program.
- Participation in the Santa Clara Valley Transit Authority ("VTA") Eco Pass Program will be available to eligible employees, subject to the terms of the Pilot Program, effective October 1, 2014, through December 31, 2015. The distribution of the Eco Pass cards shall start at the beginning of October, 2014.
- Pursuant to the Pilot Program, eligible employees shall be allowed to use pre-tax dollars ("Pre-Tax Payroll Deduction Program") to pay for transit service beyond those provided by VTA. The administrative fees of the Pre-Tax Payroll Deduction Program will be paid for by the City during the term of the Pilot Program.
 - The Pre-Tax Payroll Deduction Program shall enable employees to use pre-tax dollars to pay for non-VTA transit services, which may include, but are not limited to, Caltrain, the Hwy 17 Express Bus, and BART.
 - The Pre-Tax Payroll Deduction Program shall be effective January 1, 2015, through December 31, 2015, pending City Council approval of the contract for a Flexible Spending Account.
- It is understood by all parties that the Pilot Program has a term of October 1, 2014, through December 31, 2015.

This Side Letter shall become effective when signed by all parties below, and the Pilot Program shall become effective on October 1, 2014, and expire on December 31, 2015. Prior to October 1, 2015, the City and ALP will discuss and evaluate the Commuter

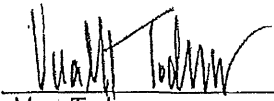
Benefit Program (for example the utilization of the program). Through that discussion, the City and ALP will discuss the Commuter Benefit Program for 2016.

FOR THE CITY:

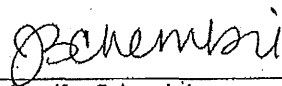
 9-30-14

Alex Gurza Date
Deputy City Manager

FOR THE UNION:

 9/30/2014

Vera Todorov Date
President
ALP

 9/30/14

Jennifer Schembri Date
Deputy Director of Employee Relations